

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2013-7-G**

In the Matter Of )  
 )  
Application of Piedmont Natural Gas )  
Company, Inc. to Have Terms of the )  
Natural Gas Rate Stabilization Act Apply )  
to Its Rates and Charges for Gas )  
Distribution Services )

**COMMENTS OF  
PIEDMONT NATURAL GAS  
COMPANY, INC.**

Piedmont Natural Gas Company, Inc. ("Piedmont"), pursuant to Section 58-5-455(4) of the S.C. Code of Laws, hereby submits the following written comments on the *Report of South Carolina Office of Regulatory Staff's Examination of Piedmont Natural Gas Company's Monitoring Report* ("ORS Audit") prepared and filed in this proceeding by the Office of Regulatory Staff ("ORS") on August 30, 2013.

Piedmont has carefully reviewed the August 30, 2013 ORS Audit and the proposed adjustments to Piedmont's June 15, 2013 Quarterly Monitoring Report contained therein and consistent with the Settlement Agreement filed in this docket on September 3, 2013, Piedmont hereby advises the Commission that Piedmont has no objection to or comments on the findings and adjustments reflected in the ORS Audit. Piedmont further confirms its agreement, as part of an overall settlement with the ORS, to implement rates beginning with the first billing cycle of November, 2013 based upon the ORS audit results and a return on equity of 11.3% in lieu of the existing approved rate of return on equity adopted in Piedmont's last general rate case.

Revised rates and charges incorporating the ORS Audit adjustments and reflecting a rate of return on equity of 11.3% are attached hereto as Exhibits A and B.

Respectfully submitted this 13th day of September, 2013.

**PIEDMONT NATURAL GAS COMPANY, INC.**

/s/ Scott M. Tyler  
Scott M. Tyler  
James H. Jeffries IV

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# **EXHIBIT A**

Piedmont Natural Gas Company, Inc.  
Quarterly Rate Stabilization Filing - Settlement Rates  
12-Months Ending March 31, 2013

PROPOSED REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (3)	Proforma Bills (4)	Proposed Margin Rate (5)	Proposed Demand Rate (6)	Proposed Commodity Rate (7)	Total Proposed Rates (8)	Total Proforma Revenue (9)
<b>Residential Service - Value 201</b>									
Bills - Winter	192,154			192,154	\$ 10.00			\$ 10.00	\$1,921,540
Bills - Summer	262,924			262,924	\$ 8.00			\$ 8.00	\$2,103,392
DTs - Winter	1,993,457	131,801	2,125,258		\$3.7840	\$0.7984	\$4.5796	\$9.1620	\$19,471,614
DTs - Summer	625,000	131,591	756,591		\$3.3441	\$0.7999	\$4.5796	\$8.7236	\$6,600,197
<b>Residential Service - Standard 221</b>									
Bills - Winter	411,641			411,641	\$ 10.00			\$ 10.00	\$4,116,410
Bills - Summer	566,116			566,116	\$ 8.00			\$ 8.00	\$4,528,928
DTs - Winter	3,204,137	238,843	3,442,980		\$3.7840	\$2.1826	\$4.5796	\$10.5462	\$36,310,356
DTs - Summer	540,903	248,618	789,521		\$3.3441	\$2.5303	\$4.5796	\$10.4540	\$8,253,653
<b><u>TOTAL RESIDENTIAL</u></b>									
Bills	1,432,835			1,432,835					
DTs	6,363,497	750,863	7,114,350						\$83,306,090
<b>Small General Service - Standard 202</b>									
Bills	121,638			121,638	\$ 22.00			\$ 22.00	\$2,676,036
DTs - Winter	1,540,273	144,503	1,684,776		\$3.0868	\$2.0677	\$4.5796	\$9.7341	\$16,399,778
DTs - Summer	205,319	99,501	304,820		\$2.9764	\$1.8991	\$4.5796	\$9.4551	\$2,882,104
<b>Small General Service - Value 232</b>									
Bills	44,309			44,309	\$ 22.00			\$ 22.00	\$974,798
First 200	960,199	28,597	988,796		\$3.0868	\$1.6374	\$4.5796	\$9.3038	\$9,199,560
Over 200	216,655	6,452	223,107		\$3.0868	\$1.4360	\$4.5796	\$9.1024	\$2,030,809
DTs - Winter	1,176,854	35,049	1,211,903						
First 200	1,028,723	28,647	1,057,370		\$2.9764	\$1.0365	\$4.5796	\$8.5925	\$9,085,452
Over 200	112,591	3,136	115,727		\$2.9764	\$0.8485	\$4.5796	\$8.4045	\$972,628
DTs - Summer	1,141,314	31,783	1,173,097						
<b>Medium General Service - Standard 252</b>									
Bills	168			168	\$ 75.00			\$ 75.00	\$12,600
DTs - Winter	68,474	7,280	75,754		\$3.0868	\$1.5635	\$4.5796	\$9.2299	\$699,202
DTs - Summer	12,331	3,695	16,026		\$2.9764	\$1.3704	\$4.5796	\$8.9264	\$143,054
<b>Medium General Service - Value 262</b>									
Bills	793			793	\$ 75.00			\$ 75.00	\$59,475
First 500	156,223	3,703	159,926		\$3.0868	\$1.0686	\$4.5796	\$8.7350	\$1,396,954
Over 500	179,110	4,244	183,354		\$3.0868	\$0.8341	\$4.5796	\$8.5005	\$1,558,601
DTs - Winter	335,333	7,947	343,280						
First 500	206,047	4,756	210,803		\$2.9764	\$0.4913	\$4.5796	\$8.0473	\$1,696,395
Over 500	146,006	3,369	149,375		\$2.9764	\$0.3157	\$4.5796	\$7.8717	\$1,175,835
DTs - Summer	352,053	8,125	360,178						

Piedmont Natural Gas Company, Inc.  
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<b>Small General Service - Motor Fuel 242</b>									
Bills	20			20	\$ 22.00			\$ 22.00	\$440
DTs - Winter	4,569		4,569		\$2.4961	\$1.6929	\$4.5796	\$8.7686	\$40,064
DTs - Summer	6,857		6,857		\$2.4961	\$2.3063	\$4.5796	\$9.3820	\$64,332
Winter Rate per GGE*								\$1.10484	
Summer Rate per GGE*								\$1.18213	
<b><u>TOTAL COMMERCIAL</u></b>									
<b>Bills</b>	<b>166,928</b>			<b>166,928</b>					
<b>DTs</b>	<b>4,843,377</b>	<b>337,883</b>	<b>5,181,260</b>						<b>\$51,068,117</b>
<b>Large General Service - Sales 203</b>									
Bills	156			156	\$ 250.00			\$ 250.00	\$39,000
Demand DTs	22,822	0		22,822	\$5.0000	\$12.9812	\$0.0000	\$17.9812	\$410,367
First 1,500	90,356	0	90,356		\$1.8569	\$1.0149	\$4.5796	\$7.4514	\$673,279
Next 1,500	54,353	0	54,353		\$1.2998	\$0.8238	\$4.5796	\$6.7032	\$364,339
Next 7,500	19,680	0	19,680		\$0.9285	\$0.9847	\$4.5796	\$6.4928	\$127,778
Next 16,500	0	0	0		\$0.5571	\$0.2818	\$4.5796	\$5.4185	\$0
Next 33,000	0	0	0		\$0.1857	\$0.1000	\$4.5796	\$4.8653	\$0
<u>Over 60,000</u>	0	0	0		\$0.0000	\$0.0000	\$4.5796	\$4.5796	\$0
DTs - Winter	164,389	0	164,389						
First 1,500	129,244	0	129,244		\$1.1141	\$0.7242	\$4.5796	\$6.4179	\$829,475
Next 1,500	63,031	0	63,031		\$0.7428	\$0.5836	\$4.5796	\$5.9060	\$372,261
Next 7,500	19,671	0	19,671		\$0.5571	\$0.8577	\$4.5796	\$5.9944	\$117,916
Next 16,500	0	0	0		\$0.3714	\$0.2818	\$4.5796	\$5.2328	\$0
Next 33,000	0	0	0		\$0.1857	\$0.0500	\$4.5796	\$4.8153	\$0
<u>Over 60,000</u>	0	0	0		\$0.0000	\$0.0000	\$4.5796	\$4.5796	\$0
DTs - Summer	211,946	0	211,946						
<b>Large General Service - Transportation 213</b>									
Bills	464			464	\$ 250.00			\$ 250.00	\$116,000
Demand DTs	91,642			91,642	\$5.0000	\$0.9651	\$0.0000	\$5.9651	\$546,654
Standby DTs	0			0	\$0.0000	\$12.0161	\$0.0000	\$12.0161	\$0
First 1,500	273,053	0	273,053		\$1.8569	\$0.5827	\$0.0796	\$2.5192	\$687,875
Next 1,500	188,115	0	188,115		\$1.2998	\$0.4647	\$0.0796	\$1.8441	\$346,903
Next 7,500	151,404	0	151,404		\$0.9285	\$0.3739	\$0.0796	\$1.3820	\$209,240
Next 16,500	0	0	0		\$0.5571	\$0.2812	\$0.0796	\$0.9179	\$0
Next 33,000	0	0	0		\$0.1857	\$0.1025	\$0.0796	\$0.3678	\$0
<u>Over 60,000</u>	0	0	0		\$0.0000	\$0.0000	\$0.0796	\$0.0796	\$0
DTs - Winter	612,572	0	612,572						
First 1,500	359,036	0	359,036		\$1.1141	\$0.6406	\$0.0796	\$1.8343	\$658,580
Next 1,500	202,019	0	202,019		\$0.7428	\$0.5235	\$0.0796	\$1.3459	\$271,897
Next 7,500	175,960	0	175,960		\$0.5571	\$0.4523	\$0.0796	\$1.0890	\$191,620
Next 16,500	37,569	0	37,569		\$0.3714	\$0.3115	\$0.0796	\$0.7625	\$28,646
Next 33,000	0	0	0		\$0.1857	\$0.0500	\$0.0796	\$0.3153	\$0
<u>Over 60,000</u>	0	0	0		\$0.0000	\$0.0000	\$0.0796	\$0.0796	\$0
DTs - Summer	774,584	0	774,584						

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Rate Schedule									
Interruptible Service - Sales 204									
Bills	158			158	\$ 250.00			\$ 250.00	\$39,500
First 1,500	76,926	0	76,926		\$1.8569	\$2.2417	\$4.5796	\$8.6782	\$667,579
Next 1,500	43,626	0	43,626		\$1.2998	\$2.1511	\$4.5796	\$8.0305	\$350,339
Next 7,500	63,547	0	63,547		\$0.9285	\$1.9399	\$4.5796	\$7.4480	\$473,298
Next 16,500	80,214	0	80,214		\$0.5571	\$1.9517	\$4.5796	\$7.0884	\$568,589
Next 33,000	4,246	0	4,246		\$0.1857	\$1.3859	\$4.5796	\$6.1512	\$26,118
Over 60,000	2,554	0	2,554		\$0.0000	\$0.4000	\$4.5796	\$4.9796	\$12,718
DTs - Winter	271,113	0	271,113						
First 1,500	117,139	0	117,139		\$1.1141	\$1.0057	\$4.5796	\$6.6994	\$784,761
Next 1,500	71,092	0	71,092		\$0.7428	\$0.8725	\$4.5796	\$6.1949	\$440,408
Next 7,500	80,493	0	80,493		\$0.5571	\$0.8209	\$4.5796	\$5.9576	\$479,545
Next 16,500	47,901	0	47,901		\$0.3714	\$0.6867	\$4.5796	\$5.6377	\$270,051
Next 33,000	3,000	0	3,000		\$0.1857	\$0.4133	\$4.5796	\$5.1786	\$15,536
Over 60,000	978	0	978		\$0.0000	\$0.1000	\$4.5796	\$4.6796	\$4,577
DTs - Summer	320,603	0	320,603						
Interruptible Service - Transportation 214									
Bills	617			617	\$ 250.00			\$ 250.00	\$154,250
First 1,500	385,861	0	385,861		\$1.8569	\$0.5722	\$0.0796	\$2.5087	\$968,009
Next 1,500	341,264	0	341,264		\$1.2998	\$0.4504	\$0.0796	\$1.8298	\$624,445
Next 7,500	765,235	0	765,235		\$0.9285	\$0.3279	\$0.0796	\$1.3360	\$1,022,354
Next 16,500	358,839	0	358,839		\$0.5571	\$0.2114	\$0.0796	\$0.8481	\$304,331
Next 33,000	20,824	0	20,824		\$0.1857	\$0.1141	\$0.0796	\$0.3794	\$7,901
Over 60,000	11,418	0	11,418		\$0.0000	\$0.0000	\$0.0796	\$0.0796	\$909
DTs - Winter	1,883,441	0	1,883,441						
First 1,500	489,429	0	489,429		\$1.1141	\$0.6295	\$0.0796	\$1.8232	\$892,327
Next 1,500	383,378	0	383,378		\$0.7428	\$0.4946	\$0.0796	\$1.3170	\$504,909
Next 7,500	740,695	0	740,695		\$0.5571	\$0.3623	\$0.0796	\$0.9990	\$739,954
Next 16,500	35,790	0	35,790		\$0.3714	\$0.3125	\$0.0796	\$0.7635	\$27,326
Next 33,000	(126,394)	0	(126,394)		\$0.1857	\$0.2516	\$0.0796	\$0.5169	(\$65,333)
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.0796	\$0.0796	\$0
DTs - Summer	1,522,898	0	1,522,898						
TOTAL INDUSTRIAL									
Bills	1,395			1,395					
Demand	114,464			114,464					
DTs	5,761,546	0	5,761,546						
								\$15,306,231	
Outdoor Gaslight Service - Rate 205									
Fixtures	36	0	36		\$ 15.00			\$ 15.00	\$540
DTs - Winter	16	0	16						
DTs - Summer	22	0	22						
Annual Revenues From Special Contracts								\$ 2,481,514	
TOTAL ALL RATE SCHEDULES									
TOTAL BILLS	1,601,158			1,601,158					
TOTAL WINTER DTs	11,254,628	565,423	11,820,051						
TOTAL SUMMER DTs	5,713,830	523,313	6,237,143						
ANNUAL TOTAL DTs	16,968,458	1,088,736	18,057,194					REVENUE \$	152,162,492
TOTAL SALES DTs	12,174,963	1,088,736	13,263,699						
TRANSPORTATION DTs	4,793,495	0	4,793,495						
ANNUAL TOTAL DTs	16,968,458	1,088,736	18,057,194						

\* The rates convert 1.26 therms to 1 GGE.

# **EXHIBIT B**

Piedmont Natural Gas Company, Inc.  
 Quarterly Rate Stabilization Filing - Settlement Rates  
 12-Months Ending March 31, 2013

### WNA Factors

	Base Rate (\$/therms)	Demand (\$/therms)	Commodity (\$/therms)	"R" Value (\$/therms)	Heat Factor (therms/DDD)	Base Factor (therms/mo.)
<b>Residential</b>						
Value Rate - 201	0.91620	0.07984	0.45796	0.37840	0.17452	17.31899
Standard Rate - 221	1.05462	0.21826	0.45796	0.37840	0.14884	4.03487
<b>Commercial</b>						
<b>Rate 202 - Std</b>	0.97341	0.20677	0.45796	0.30868	0.60802	3.52548
<b>Rate 232 - Val</b>						
First 2,000 therms	0.93038	0.16374	0.45796	0.30868	0.44659	421.42263
Over 2,000 therms	0.91024	0.14360	0.45796	0.30868	0.44659	421.42263
<b>Rate 252 - Std</b>	0.92299	0.15635	0.45796	0.30868	19.61863	343.29020
<b>Rate 262 - Val</b>						
first 5,000 therms	0.87350	0.10686	0.45796	0.30868	6.15836	7280.85777
over 5,000 therms	0.85005	0.08341	0.45796	0.30868	6.15836	7280.85777



## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via email and UPS Overnight upon:

Nanette S. Edwards  
Courtney Dare Edwards  
Carey Stites  
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And that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.*, is being served this date via email and U.S. Mail upon:

David Carpenter  
Vice President  
Planning and Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
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and

Pia Powers  
Director - Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
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This the 13th day of September, 2013.

s/ James H. Jeffries IV  
James H. Jeffries IV